

Response to Questions on the FY 2012 Budget

Request By: Supervisor Hudgins

Question: Please provide a status report on the Child Care Assistance and Referral program.

Response: The Child Care Assistance and Referral (CCAR) program provides services to two populations:

- a) The mandated population (those receiving services through TANF/VIEW/Head Start)
- b) The non-mandated population (those from low-income working families or fee system child care),

Since FY 2007, the non-mandated population of the CCAR program has been reduced by \$16.5 million. This is due to a loss of state funding (\$13.0 million) and County reduction necessary to balance the budget (\$3.5 million). As the Board may recall, as part of the *FY 2008 Carryover Review*, a reserve was started in an effort to mitigate the significant reductions. Currently the goal is to maintain County funding at the FY 2009 level. To achieve this goal the reserve is funded at quarterly reviews when additional one-time state revenue is received for CCAR. As a result, the County has been able to maintain the FY 2009 funding level for the non-mandated population in FY 2010 and FY 2011.

While maintaining this level of funding has been achieved, the County has not been able to serve the same number of children as in FY 2009. This is due to families requiring a higher level of subsidies as a result of changes in the economy. The County is subsequently paying more per child. In FY 2011, it is estimated that a total of 4,481 children will be served in both the mandated and non-mandated programs. This is approximately 250 children fewer children compared to FY 2009 due to the increase in subsidy payments per child. The additional cost to serve approximately 250 children is \$1.7 million. As of February 2011, the wait list for services was 2,925 children.

Additionally, due to adjustments included in the FY 2012 Advertised Budget and *FY 2011 Third Quarter Review*, there is currently enough funding in reserve to maintain FY 2012 and FY 2013 at the FY 2009 level.

It should also be noted that the FY 2010-2012 Biennium Budget passed by the General Assembly reduces state General Fund support for the fee system children care by \$7.9 million. However, it is anticipated that sufficient state nongeneral funds will be available to offset the entire FY 2012 cut and avoid any service reductions in this Biennium.